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C O N F I D E N T I A L SECTION 01 OF 03 BRASILIA 000941

SIPDIS

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TAGS: PHUM PGOV KCRM SOCI BR

SUBJECT: BRAZILIAN INDIANS KILL 29 PROSPECTORS

REF: BRASILIA 0682

Classified By: POLOFF RICHARD REITER, FOR REASONS 1.4B AND D.

1. (C) SUMMARY. On April 7, some 29 diamond prospectors working illegally on an Indian reservation in the western Brazilian state of Rondonia were slain by members of the Cinta-Larga tribe. Three bodies were found on April 11 and another twenty-six on April 16. Authorities now fear reprisals against Indians, some of whom have been assaulted in a nearby town. The situation remains tense and a police investigation is underway. Since reports of the massacre began to trickle in, conflicting stories have emerged about the motive for the killings. Indian leaders and officials of the GoB's indian agency, FUNAI, say the Indians were defending their land against a long-running invasion by illegal miners. But some police officials say that several Indian leaders are involved in diamond trafficking, and that the murders were a show of force against those who failed to give them their share. In response to the massacre, the government plans another police sweep of the Rondonia reservation as well as a new law to facilitate legal concessions of mineral rights on Indian lands. END SUMMARY.

#### DOZENS DEAD ON ROOSEVELT RESERVATION

2. (SBU) On April 7, at least twenty-nine diamond prospectors were killed in the dense jungle of the western Brazilian state of Rondonia. The massacre occurred on the Roosevelt Indian reservation (named for a nearby river that was first mapped by Theodore Roosevelt in 1914). The reservation includes four areas comprising 2.7 million hectares (the size of Massachusetts) and is home to six Indian tribes, of which the 1,500-member Cinta-Larga ("Broad Sash") is the largest. Three corpses were found at one site on April 4. On April 16, authorities responding to reports from prospectors and led by local Indians found approximately 26 more bodies at a separate site. The bodies were hacked to pieces and decomposed, making it difficult to assess how many were killed or to identify the dead. Given the rugged terrain and the isolated nature of mining, more bodies may yet be discovered. Gilton Muniz, of the Prospectors' Union, says another twelve prospectors remain missing, and state Governor Ivo Cassol told the press on April 17, "Unfortunately, many more bodies will be found."

3. (SBU) Cinta-Larga leader Oita Matina announced that the attack was carried out by his tribe's warriors in response to an ongoing invasion by diamond hunters that began in 1999. Mercio Pereira, President of FUNAI ("National Indian Foundation" --the GoB's Indian agency) concurred, noting, "We are very sorry for those who died, but we must also say that the Indians are defending their lands. The prospectors are completely illegal." Pereira's statement exacerbated tensions between his agency and the state government, as Governor Cassol wondered rhetorically if Pereira would encourage landowners whose farms are occupied by the Landless Movement (MST) to respond with violence.

#### DIAMOND TRADE FUELS VIOLENCE

4. (C) The discovery of South America's richest diamond deposits (estimated at US\$2 billion) on the Roosevelt reservation ignited a rush of prospectors to the area in 1999. By law, commercial mining on Indian lands is prohibited, unless specifically authorized by Congress. FUNAI's Pereira says that his agency, along with the Federal Police, have conducted four sweeps to remove illegal prospectors from the reservation, including one in January when 4,500 prospectors were removed, but many later returned. The lawless nature of the region and the huge sums at stake have fed a culture of violence: the Civil Police chief in the nearby town of Espigao do Oeste says that from 1999 to 2003, at least thirty prospectors' bodies were found on the Roosevelt reservation, though it is not clear how many died in conflicts with Indians or with other prospectors. In November 2003, four prospectors were killed in one incident, and an injured survivor charged that a FUNAI official, whom he alleged was involved in diamond trafficking, was among the assailants. FUNAI President Pereira insisted to us that the charges were investigated and found baseless. SOME INDIAN LEADERS MAY BE DIAMOND SMUGGLERS

5. (SBU) In a recent interview, regional Federal Police commander Marco Aurelio Moura said his office has refocused its efforts away from the Roosevelt reservation, "We don't

have enough people to interfere with the prospectors' activities, and now we have information that the Indians themselves are involved in diamond trafficking, so we have changed our strategy to investigate those who buy the gems." By going after smugglers rather than prospectors, the Federal Police have made 30 arrests in Rondonia this year, including of Marcos Gliko, reportedly one of Brazil's most important gem traffickers. Press reporting dating to 2001 describes how some tribal leaders suddenly became rich while most of the tribe lived in misery, and also alleged that some FUNAI officials may be implicated in the diamond trade.

16. (C) These reports, which the Federal Police's National Coordinator for Special Border Operations, Mauro Sposito, told us were generally accurate, indicate that soon after the diamond rush began in 1999, some Cinta-Larga began charging fees to the prospectors: a reported R\$10,000 (about US\$3,300) per head plus up to 50% of profits. This suggests that the April 7 massacre was more complicated than the initial reporting indicated. As thousands of prospectors surged into the area --and formed unions that pressured the government for commercial rights-- the Indians began to lose control of their profit-sharing system. Some Federal Police have told the press that there is no broad conflict between the Cinta-Larga and the prospectors, but that the killings are a "settling of scores": killing those who failed to pay their fees.

#### SITUATION: "A POWDER KEG"

17. (SBU) The massacre has left the region a "powder keg", according to Federal Police commander Moura. As reports brought by prospectors trickled in, Indians in the area have been assaulted by furious townspeople and miners. One Indian was terrorized by 300 people on the central square of the town of Espigao do Oeste, only to be freed after hours of negotiations by local officials. Military Police commander Firmino Aparecido told the press that most of the 100 Cinta-Larga who live in the town have now fled. Prospectors' Union leader Muniz says that the climate is tense, "The prospectors are upset and want to react. The prospectors were surprised by the Indians, who showed up shooting. We just want to work and have the right to extract the minerals". Muniz estimates there are 7,000 prospectors in Rondonia, about 1,000 of whom are on the Roosevelt reservation.

#### STATE OF THE INVESTIGATION

18. (C) Federal Police Coordinator Sposito told us on April 18 that the remains were still being removed by helicopter to the state capital of Porto Velho for autopsies and identification and that the operation could take a few more days. Fifty Federal Police agents, together with FUNAI officials, are investigating the massacre. Sposito noted that while the Cinta-Larga tribe has taken responsibility, the investigation will look for the individuals involved --and that the police have a "good idea" who they were. FUNAI President Mercio Pereira told us he was alarmed that the government was pointing the finger at the Cinta-Larga and looking for an easy scapegoat. In the meantime, federal officials are planning another operation to remove prospectors still on the reservation, and uniformed police are on alert to prevent an escalation of violence.

#### COMMENT - SLOW PROGRESS ON INDIAN AFFAIRS

19. (C) In the short-run, the GoB response to the Rondonia massacre consists of the police investigation, followed by what Justice Minister Bastos announced on April 18 will be an operation of "general disarmament" to try to discourage further bloodshed. 200 Federal Police and FUNAI officers will initiate the operation as soon as they have finished recovering the remains of the 26 murdered prospectors. This operation may be lashed together with the previously scheduled "Operation Rondonia" (reftel). Medium-term, the government is drafting a law to regulate mineral rights on reservations in order to provide Indians with legal means to extract and sell diamonds without resorting to the black market. FUNAI President Pereira told us the bill is now in an inter-ministerial committee, and he hopes it will go to Congress before the July recess. Further, the Ministry of Mines and Energy is studying the possibility of making available to prospectors some mining concessions located outside of the reservation.

110. (C) Longer term, the Lula government has been slow to take the initiative on indigenous issues. It has not put forward a comprehensive national plan and is trying to resolve several simultaneous disputes, most of which concern demarcation of new reservations. Last week President Lula presided over a contentious cabinet meeting to debate the long-running case of the Raposa Serra do Sul reservation in the northern state of Roraima (septel) that still awaits demarcation; a decision was put off until April 27.

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